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Effective date: _____

Certification: _____

Date

Promulgated under: Chapter 119.

Statutory authority: RC section 5111.02

Rule amplifies: RC sections 5111.01, 5111.02, 5111.20, 5111.241

Prior effective dates: 7/1/93 (Emer.), 9/30/93

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5101:3-3-831 METHOD FOR ESTABLISHING THE OUT OF FACILITY MEAL COST LIMITS FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED (ICFS-MR).

THE DEPARTMENT OF HUMAN SERVICES (ODHS) SHALL SET A COST LIMIT FOR OUT-OF-FACILITY MEAL COSTS EACH FISCAL YEAR FOR ALL INTERMEDIATE CARE FACILITIES FOR

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- (D) THE MAXIMUM ALLOWABLE COST FOR EACH ICF-MR FOR THE FOOD OUT-OF-FACILITY COST CENTER CALCULATED AT RATE SETTING EACH FISCAL YEAR SHALL BE THE LESSER OF THE ACTUAL COST PER MEAL OR THE STATEWIDE COST LIMIT ESTABLISHED IN PARAGRAPH (A) OF THIS RULE, MULTIPLIED BY THE NUMBER OF MEALS ESTABLISHED IN PARAGRAPH (C) OF THIS RULE.
- (E) ODHS SHALL NOT RECALCULATE THE RATE FOR OUT-OF-FACILITY MEAL ALLOWANCE COSTS BASED ON ADDITIONAL INFORMATION THAT IT RECEIVES AFTER THE RATE IS SET. ODHS SHALL RECALCULATE THE RATE FOR OUT-OF-FACILITY MEAL ALLOWANCE COSTS ONLY IF IT MADE AN ERROR IN COMPUTING THE RATE BASED ON THE INFORMATION AVAILABLE AT THE TIME OF THE ORIGINAL CALCULATION.

REPLACES RULE: 5101:3-3-831

EFFECTIVE DATE: _____

REVIEW DATE: _____

CERTIFICATION: _____

DATE

PROMULGATED UNDER RC: CHAPTER 119.
STATUTORY AUTHORITY: RC SECTION 5111.02
RULE AMPLIFIES RC: SECTIONS 5111.01, 5111.02, 5111.241, 5111.261
PRIOR EFFECTIVE DATE: 7/1/93 (EMER.), 9/30/93

TN # 98-17 APPROVAL DATE MAR 15 1999
SUPERSEDES
TN # 94-07 EFFECTIVE DATE 12/13/98

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5101:3-3-84 METHOD FOR ESTABLISHING CAPITAL REIMBURSEMENT FOR INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED (ICFS-MR).

THE OHIO DEPARTMENT OF HUMAN SERVICES (ODHS) SHALL PAY EACH ELIGIBLE ICF-MR A PER RESIDENT PER DAY RATE FOR ITS REASONABLE CAPITAL COSTS ESTABLISHED PROSPECTIVELY EACH FISCAL YEAR FOR EACH ICF-MR. EXCEPT AS OTHERWISE PROVIDED UNDER CHAPTER 5101:3-3 OF THE ADMINISTRATIVE CODE, THE RATE SHALL BE BASED UPON THE ICF-MR'S CAPITAL COSTS FOR THE CALENDAR YEAR PRECEDING THE FISCAL YEAR IN WHICH THE RATE WILL BE PAID.

(A) THE RATE FOR ICFS-MR WITH MORE THAN EIGHT BEDS SHALL BE THE SUM OF THE FOLLOWING:

(1) THE ALLOWABLE PER DIEM COST OF OWNERSHIP IS THE LESSER OF THE FOLLOWING:

(a) THE FACILITY'S DESK-REVIEWED, ACTUAL, ALLOWABLE, PER DIEM COST OF OWNERSHIP AS SET FORTH UNDER RULE 5101:3-3-842 OF THE ADMINISTRATIVE CODE; OR

(b) THE MAXIMUM CEILING FOR COST OF OWNERSHIP AS SET FORTH UNDER RULE 5101:3-3-842 OF THE ADMINISTRATIVE CODE; AND

(2) ANY EFFICIENCY INCENTIVE DETERMINED UNDER RULE 5101:3-3-842 OF THE ADMINISTRATIVE CODE; AND

(3) THE ALLOWABLE PER DIEM NONEXTENSIVE RENOVATION COSTS IS THE LESSER OF THE FOLLOWING:

(a) THE FACILITY'S DESK-REVIEWED, ACTUAL, ALLOWABLE, PER DIEM NONEXTENSIVE RENOVATION AS SET FORTH UNDER RULE 5101:3-3-843 OF THE ADMINISTRATIVE CODE; OR

(b) THE MAXIMUM CEILING FOR NONEXTENSIVE RENOVATION AS SET FORTH UNDER RULE 5101:3-3-843 OF THE ADMINISTRATIVE CODE; AND

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(4) ANY RETURN ON NET EQUITY AS DETERMINED UNDER RULE 5101:3-3-844 OF THE ADMINISTRATIVE CODE.

(B) WITH THE EXCEPTION OF THE AMOUNT DETERMINED UNDER PARAGRAPH (B)(4) OF THIS RULE, THE RATE FOR ICFS-MR WITH EIGHT OR FEWER BEDS SHALL BE THE SUM OF THE FOLLOWING AND SHALL NOT EXCEED THE SUM OF THE MAXIMUM CEILING AS SET FORTH UNDER PARAGRAPHS (A)(1)(b) AND (A)(3)(b) OF THIS RULE:

(1) THE ALLOWABLE PER DIEM COST OF OWNERSHIP IS THE LESSER OF THE FOLLOWING:

(a) THE FACILITY'S DESK-REVIEWED, ACTUAL, ALLOWABLE, PER DIEM COST OF OWNERSHIP AS SET FORTH UNDER RULE 5101:3-3-842 OF THE ADMINISTRATIVE CODE; OR

(b) THE MAXIMUM CEILING FOR COST OF OWNERSHIP AS SET FORTH UNDER RULE 5101:3-3-842 OF THE ADMINISTRATIVE CODE; AND

(2) ANY EFFICIENCY INCENTIVE DETERMINED UNDER RULE 5101:3-3-842 OF THE ADMINISTRATIVE CODE; AND

(3) THE ALLOWABLE PER DIEM NONEXTENSIVE RENOVATION COSTS IS THE LESSER OF THE FOLLOWING:

(a) THE FACILITY'S DESK-REVIEWED, ACTUAL, ALLOWABLE, PER DIEM NONEXTENSIVE RENOVATION AS SET FORTH UNDER RULE 5101:3-3-843 OF THE ADMINISTRATIVE CODE; OR

(b) THE MAXIMUM CEILING FOR NONEXTENSIVE RENOVATION AS SET FORTH UNDER RULE 5101:3-3-843 OF THE ADMINISTRATIVE CODE; AND

(4) ANY RETURN ON NET EQUITY AS DETERMINED UNDER RULE 5101:3-3-844 OF THE ADMINISTRATIVE CODE.

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REPLACES RULE 5101:3-3-22

EFFECTIVE DATE: _____

CERTIFICATION : _____

DATE

PROMULGATED UNDER: RC CHAPTER 119.

STATUTORY AUTHORITY: RC SECTION 5111.02

RULE AMPLIFIES: RC SECTIONS 5111.01, 5111.02, 5111.251

PRIOR EFFECTIVE DATES: 7/3/80, 9/1/82, 2/21/83, 8/15/83 (EMER.), 11/10/83 (EMER.),
12/25/83, 2/12/85 (EMER.), 6/1/85, 8/1/87, 9/30/87 (EMER.),
12/28/87, 10/1/91 (EMER.), 12/20/91, 9/30/93 (EMER.)

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5101:3-3-841 CAPITAL ASSET AND DEPRECIATION GUIDELINES - INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED (ICFS-MR).

- (A) A PER DIEM FOR DEPRECIATION ON BUILDINGS, COMPONENTS, AND EQUIPMENT USED IN THE PROVISION OF PATIENT CARE THAT ARE NOT REIMBURSABLE BY MEDICAID DIRECTLY TO THE MEDICAL EQUIPMENT SUPPLIER IN ACCORDANCE WITH 5101:3-3-19 OF THE ADMINISTRATIVE CODE IS AN ALLOWABLE COST.
- (B) FOR PURPOSES OF DETERMINING IF AN EXPENDITURE SHOULD BE CAPITALIZED, THE FOLLOWING GUIDELINES ARE UTILIZED:
 - (1) ANY EXPENDITURE FOR AN ITEM THAT COSTS FIVE HUNDRED DOLLARS OR MORE AND HAS A USEFUL LIFE OF TWO OR MORE YEARS PER ITEM MUST BE CAPITALIZED AND DEPRECIATED OVER THE ASSET'S USEFUL LIFE.
 - (2) A PROVIDER MAY USE A CAPITALIZATION POLICY LESS THAN FIVE HUNDRED DOLLARS PER ITEM, BUT IS REQUIRED TO OBTAIN PRIOR APPROVAL FROM THE OHIO DEPARTMENT OF HUMAN SERVICES (ODHS) IF THE PROVIDER WISHES TO CHANGE ITS CAPITALIZATION POLICY FROM ITS INITIAL CAPITALIZATION POLICY.
- (C) ALL CAPITAL ASSETS SHALL BE DEPRECIATED USING THE STRAIGHT-LINE METHOD OF DEPRECIATION.
- (D) FOR PURPOSES OF DETERMINING THE USEFUL LIFE OF A CAPITAL ASSET, ICFS-MR SHALL USE THE TABLE AS SET FORTH IN APPENDIX A OF THIS RULE OR A DIFFERENT USEFUL LIFE IF APPROVED BY ODHS. IF A CAPITAL ASSET IS NOT REFLECTED ON THE TABLE AS SET FORTH IN APPENDIX A OF THIS RULE, THE INTERNAL REVENUE GUIDELINES SHALL BE USED FOR PURPOSES OF DETERMINING THE USEFUL LIFE OF THAT CAPITAL ASSET.
- (E) THE FOLLOWING DEPRECIATION CONVENTIONS SHALL BE USED TO CALCULATE DEPRECIATION EXPENSE:
 - (1) FOR THE SIX MONTHS PERIOD BEGINNING JULY 1, 1993, CAPITAL ASSETS SHALL BE DEPRECIATED USING CONVENTIONS IN PLACE PRIOR TO JULY 1, 1993.

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- (2) FOR CALENDAR YEAR 1994 AND EACH CALENDAR YEAR THEREAFTER, IN THE MONTH THAT A CAPITAL ASSET IS PLACED INTO SERVICE, NO DEPRECIATION EXPENSE IS RECOGNIZED AS AN ALLOWABLE EXPENSE. A FULL MONTH'S DEPRECIATION EXPENSE IS RECOGNIZED IN THE MONTH FOLLOWING THE MONTH THE ASSET IS PLACED INTO SERVICE. IN THE MONTH THAT THE CAPITAL ASSET IS DISPOSED, IF THE CAPITAL ASSET IS NOT FULLY DEPRECIATED, THE ALLOWABLE DEPRECIATION EXPENSE IS RECOGNIZED AS IT IS DEFINED IN SECTION 132 OF THE HEALTH CARE FINANCING ADMINISTRATION (HCFA) PUBLICATION 15-1. AT NO TIME SHALL AN ASSET BE DEPRECIATED MORE THAN ITS ADJUSTED BASIS.
- (F) PROVIDERS SHALL MAINTAIN DETAILED DEPRECIATION SCHEDULES TO VERIFY EACH INDIVIDUAL CAPITAL ASSET PLACED IN SERVICE.

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APPENDIX A
ENACTED

ESTIMATED USEFUL LIVES OF CAPITAL ASSETS

USEFUL LIFE

LAND IMPROVEMENTS

BUMPERS	5
CULVERTS	18
FENCING	
BRICK OR STONE	25
CHAIN-LINK	15
WIRE	5
WOOD	8
FLAG POLE	20
GUARD RAILS	15
HEATED PAVEMENT	10
LANDSCAPING	10
LAWN SPRINKLER SYSTEM	15
PARKING LOT, OPEN-WALL	20
PARKING LOT GATE/S	3
PARKING LOT STRIPING	2
PAVING (INCLUDING ROADWAYS, WALKS, AND PARKING)	
ASPHALT	8
BRICK	20
CONCRETE	15
GRAVEL	5
RETAINING WALL	20
SEPTIC SYSTEM	15
SHRUBS AND LAWNS	5
SIGNS, METAL OR ELECTRIC	10
SNOW-MELTING SYSTEM	5
TREES	20
TURF, ARTIFICIAL	5
UNDERGROUND UTILITIES	
SEWER LINES	25
WATER WELLS	25
WATER WELLS	25
YARD LIGHTING	15

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ESTIMATED USEFUL LIVES OF CAPITAL ASSETS

USEFUL LIFEBUILDINGS - ALL

40

BUILDING COMPONENTS

CANOPIES	15
CARPENTRY WORK	15
CAULKING	10
CEILING FINISHES	
GYPSUM	10
PLASTER	12
COMPUTER FLOORING	10
CORNER GUARDS	10
CUBICLE TRACKS	20
DESIGNATION SIGNS	5
DOORS AND FRAMES	
AUTOMATIC	10
HOLLOW METAL	20
WOOD	15
DRAPERY TRACKS	10
DRILLED PIERS	40
FLOOR FINISHES	
CARPET	5
CERAMIC	20
CONCRETE	20
QUARRY	20
TERRAZZO	15
VINYL	10
FOLDING PARTITIONS	10
INTERIOR FINISHES	15
LOADING DOCK BUMPERS AND	
LEVELERS	10
MILLWORK	15
OVERHEAD DOORS	10
PARTITIONS, INTERIOR	15
PARTITIONS, TOILET	20

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APPENDIX A
ENACTED

ESTIMATED USEFUL LIVES OF CAPITAL ASSETS

	<u>USEFUL LIFE</u>
RAILINGS	
FREESTANDING (EXTERIOR)	15
HANDRAILS (INTERIOR)	15
ROOF COVERING	10
SKYLIGHTS	20
STOREFRONT CONSTRUCTION	20
WALL COVERING	
PAINT	5
WALLPAPER	5
X-RAY PROTECTION	10

FIXED EQUIPMENT

BENCHES, BINS, CABINETS, COUNTERS, AND SHELVING, BUILT-IN	20
CABINET, BIOLOGICAL SAFETY	15
CANOPY-VENTILATING FOR LAUNDRY IRONER	15
COAT RACK	20
CONVEYOR SYSTEM, LAUNDRY	10
COOLER, WALK-IN	15
CURTAINS AND DRAPES	5
EMERGENCY GENERATOR SET	20
GENERATOR CONTROLS	12
HOOD, FUME	15
FIRE PROTECTION IN HOODS	10
ICU AND CCU COUNTERS	15
ILLUMINATOR	
MULTIFILM	10
SINGLE	10
LAMINAR FLOW SYSTEM	15
LOCKERS, BUILT-IN	15
MAILBOXES, BUILT-IN	20
MEDICINE PREPARATION STATION	15

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